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CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

OFFICE OF THE DIRECTOR

25 July 1962

MEMORANDUM FOR THE SPECIAL GROUP

SUBJECT: Counter-Insurgency Critical List

1. As agreed at last week's meeting, I asked the Board of National Estimates to consider each of the eleven countries now carried on the Counter-Insurgency critical list.

2. Attached are eleven assessments, one for each country, which I believe are responsive to this requirement.

In each case, the study seeks to:

(a) identify the nature of the internal threat, including the extent of Communist influence,

(b) assess the strength and orientation of the present government and its capabilities for dealing with insurgency, and

(c) suggest the likely course of events with particular reference to possible active insurgency.

John A. McCone

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Director of Central Intelligence

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EXECUTIVE REGISTRY FILE

Special Group (C)

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DATE 25 JULY '62

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COUNTER INSURGENCY CRITICAL LIST



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25 July 1962

MEMORANDUM FOR THE DIRECTOR

SUBJECT: Board Review of Countries on the
Counter-Insurgency Critical List

1. In accordance with your request, the Board of National Estimates considered each of the eleven countries on the counter-insurgency critical list. Board consideration was based on draft statements prepared initially by appropriate branches of the Office of Current Intelligence, in consultation with ONE regional staffs.
2. Attached are eleven assessments, one for each country, which have been approved by the Board and which are submitted for your use with the Special Group.

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SHERMAN KENT
Assistant Director
National Estimates

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COUNTER-INSURGENCY CRITICAL LIST

Table of Contents

<u>Southeast Asia</u>	Page
Burma	1
Cambodia	4
Laos	6
South Vietnam	8
Thailand	11
 <u>Africa</u>	
Cameroons	13
 <u>Middle East</u>	
Iran	16
 <u>Latin America</u>	
Colombia	18
Ecuador	20
Guatemala	22
Venezuela	24

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SUBJECT: Insurgency in Burma

1. Insurgency in Burma has been a problem for the government since independence in 1948. Originally the chief threat to Rangoon's control came from two separate Communist forces --the Red Flag (extremist) Communists and the White Flag (orthodox or moderate) Communists whose base of operations was in central Burma. Both groups drew their personnel from the Burman ethnic majority. The Red Flag and White Flag Communists gained relatively little support from the peasant population and were largely eliminated from their strongholds by the end of 1950. They maintain the ability to launch sporadic raids and ambushes on the main lines of communications in the Irrawaddy valley and in the Irrawaddy delta area, but are based in the sparsely populated hills. These two Communist insurgent forces are estimated at 500 for the Red Flags and 1,500 for the White Flags. There is no evidence of significant assistance or direction of either of these forces by outside Communist authorities.

2. The insurgency of ethnic minorities is a more serious matter. There are insurgent movements in each of the three largest of the ethnic minority communities--the Karen, Shans and Kachins--and similar movements threaten among other ethnic elements. The basic cause for the ethnic insurgency is the historical antipathy of the minorities to the dominance of the Burman majority. This has been augmented by the arrogance of Burman officers and men stationed among the minorities and by the government's effort to "Burmanize" the country--to develop a single linguistic and cultural base.

3. The largest and most serious of the minority forces is the Karen National Defense Organization, which went into revolt in December 1948. It numbers about 6,000 and the core of its fighting force is made up of former army personnel trained under the British. Driven out of the Burman-dominated Irrawaddy basin, it has fallen back on positions

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of strength among its fellow-Karens in the hills of eastern Burma along the Thai border. The Karen antagonism for Burmans is so deep-seated that military conquest appears to be the only hope for the elimination of the KNDO. Of the various ethnic insurgent forces in Burma, only the KNDO appears to have been infiltrated to any degree by the Communists --and then only in the isolated delta area below Rangoon. There appears to be no connection with alien Communist groups.

4. The Shan State Independence Army and the Kachin Independence Army, operating in the eastern Shan State and in the Kachin State, oppose the Rangoon Government for the same reasons as the Karens do. Their revolt started later, in 1959 and 1960, and has been centered in the ethnic states where Burmans are few. The two forces are estimated at 3,000 and 2,000 respectively, and are still in the early stages of organization. Through a Nationalities Liberation Alliance, they are associated with the Karens, and thus, indirectly, with the Burmese Communists but have no known connection with foreign Communist organizations. Other ethnic minority insurgent bands, the Mons, Kayahs and Moslem Mujahids, have remained too small to be of much significance.

5. The government of Burma, currently under the domination of General Ne Win and the army, is intolerant of opposition and is expected to demand discipline and efficiency. Despite this, it is probably considerably less stable than were the previous civilian administrations of U Nu. It is also reportedly divided on policy. Thus, its stability depends largely upon the continued unity and loyalty of the army to General Ne Win. The orientation of the government is essentially one of narrow nationalism, suspicious and fearful of foreign intervention. Its program is one of developing a purely Burmese, and largely undefined socialist state.

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6. The government's program for dealing with its current and potential insurgents has been a combination of long-range education and reorientation of the ethnic minorities toward a Burman cultural pattern and an extended war of attrition against the existing insurgent forces. While the government should be able to contain the insurgents militarily, over the coming months the probability is that the insurgency will continue at its present costly but not dangerous level.

7. The principal danger is that the government's policy toward the minorities will be so heavy-handed as to increase rather than reduce disaffection. US ability to influence this situation is not great. The Burmese are suspicious of Western advice, and are particularly sensitive in the case of the US, which because of its previous involvement with the Chinese Nationalist irregulars in Northern Burma, is suspected of favoring minorities against the Burmese government. Hence US counsels of moderation run the risk of being counter-productive.

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SUBJECT: Insurgency in Cambodia

1. Cambodia has no serious internal security problem at the present time. Prince Sihanouk enjoys broad popular support, and he has identified himself closely with the people's interest. His all-inclusive Sangkum political movement has absorbed potentially dissident elements and he has suppressed any semblance of an effective political opposition. The local Pracheachon (Communist) party is small in number (1,000-3,000) and influence. External Communist subversion is minimal due to the bloc's tactics of avoiding offense to Sihanouk. The Chinese and Vietnamese minorities, although oriented toward the left, are mainly interested in maintaining their preeminent commercial positions.

2. Sihanouk has been the dominant figure in Cambodian politics since 1941. The 30,000-man national army is loyal to the government and is not active in politics. The peasants, for the most part, own the land they till, and food is abundant. The younger intellectuals in Phnom Penh make up the one group of malcontents. They were educated in France after World War II and received considerable aid and political guidance from French Communists. Sihanouk is aware of their attitudes but has done little to satisfy their demands for reform.

3. Sihanouk has stated that Communism is "the wave of the future" in Southeast Asia. He does not hesitate to look to Communist China for diplomatic support and he threatens to seek military aid from that quarter whenever relations with Thailand, South Vietnam, and the United States become seriously strained. However, he has taken steps to suppress Communism within Cambodia, and he is increasingly concerned with the growing Communist presence in neighboring countries. He fears the creation of a united Vietnam under Communist rule and is concerned over the future direction of Laotian neutrality.

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4. Cambodia has had an effective civic action program for several years. The Cambodian army has been active in construction projects, village health, provincial administration and settlement particularly in the northeast, a region Sihanouk recognizes as a likely center of disaffection and subversion. He has received indications of US support for three additional infantry battalions and one engineer battalion to protect this border, aid the local minorities, and encourage "homesteading" by Cambodian refugees from South Vietnam. The armed forces and the para-military Provincial Guard (11,000 strong) are capable of assuring internal security. Cambodian forces, however, have not been very effective, or very diligent, in patrolling border areas against Viet Cong infringements.

5. Recurring rumors that Bangkok and Saigon are plotting against Sihanouk jeopardize the standing of the United States in Cambodia. Sihanouk takes the view that Washington condones such plotting.

6. The internal situation is likely to remain stable under Sihanouk's leadership. He has not provided for a successor, however, and should he die a period of political instability might follow until senior advisers and the royal family could agree upon a leader. During this period leftist elements might create unrest. If Sihanouk's death were to occur by assassination, and South Vietnam or Thailand appeared involved, Cambodia would react sharply against the United States.

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SUBJECT: Insurgency in Laos

1. For a decade the Pathet Lao has been exerting military and political pressure upon the constituted government. The Pathet Lao insurgents now exercise *de facto* control over almost half of Laos, and Pathet Lao representatives hold key positions in the recently formed coalition government.

2. The Pathet Lao is an arm of the North Vietnamese Communist apparatus. Its impetus and backing come from Hanoi. While the movement is headed by Laotians, the key leaders --Nouhak, Kaysone and Souphanouvong--all received their indoctrination under Ho Chi Minh, and returned to Laos at the time of the Indochina War. Nouhak and Kaysone are completely responsive to Hanoi. Pathet Lao operations over the years reflect Hanoi's programs and policies which are designed to bring the former Indochina states under North Vietnamese hegemony.

3. The Pathet Lao draws much of its support from non-Lao ethnic minorities. Constituting almost half the Laotian population, these groups have for centuries been treated as inferiors, and have been isolated from the Lao of the Mekong River valley.

4. In recent years, students returning from France have been increasingly attracted toward the movement, no doubt in reaction to the conservatism and corruption of the Vientiane government and in sympathy with the "anti-colonialist struggle" in neighboring Vietnam.

5. The Pathet Lao has developed significant support in the areas which it has controlled. Its "grass-roots" appeal was strongly evidenced when candidates of its political arm, the Neo Lao Hak Sat, made a strong showing in the 1958 elections. Other factors, such as the existence of protected base areas contiguous to North Vietnam, major re-supply routes from North Vietnam, airlift support,

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and the augmentation of the Pathet Lao military capability by North Vietnamese technical and military personnel, have played an important role in past Pathet Lao operations and presumably would in the future should the Pathet Lao assume a more militant posture.

6. The Pathet Lao, as an integral part of the coalition government, will henceforth play an increasingly influential role in the direction and implementation of government policies and programs. At the same time, the Pathet Lao will probably receive covert support from North Vietnam and other Communist powers for the enlargement of their influence and control over the Laotian countryside.

7. The United States, which has played a major role in Laotian affairs during the past few years, will retain a major interest in Laos in view of the impact Laotian "neutrality" will have throughout Southeast Asia. While Souvanna will welcome US aid programs, it is likely that--in consonance with his policy of strict neutrality--he will restrict any activities which might be construed as an attempt to exert political influence.

8. The future course of events will be greatly influenced by the attitude of the Souvanna administration. As members of the coalition, the Pathet Lao will try to change Souvanna's neutralism into a pro-Bloc policy, rather than resorting to a renewal of military action. However, if they are unable to accomplish this by political means, the chances of renewed military or paramilitary activity by the Pathet Lao would be significantly increased.

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SUBJECT: Insurgency in South Vietnam

1. The principal internal threat to South Vietnam is the Communist (Viet Cong) military and political drive to overthrow the Diem government. The core of this movement is the Viet Minh apparatus left in South Vietnam after the country was divided by the 1954 Geneva settlement, but overall direction is from Hanoi. The failure to hold reunification elections as provided in the 1954 Geneva accords has led Hanoi to step up its support of armed insurrection in the South, with the aim of replacing Diem by a government willing to negotiate unification on Hanoi's terms.

2. Hanoi has infiltrated military cadres and some materiel, but the bulk of Viet Cong strength is made up of local peasants, recruited voluntarily or by force. Viet Cong strength has increased from an estimated 5,000 to 8,000 guerrillas in mid-1960 to a present level of 17,000 to 19,000 in regular units, plus up to 100,000 part-time military supporters. The Communists hold several "base" areas from which government authority is virtually excluded; they partially control or influence perhaps half of the villages in South Vietnam and have cells in major cities. They are influential among minority tribes in the highlands where government control has never been firm and among some remnants of the political-military sects, whose dissident armies were crushed by Diem shortly after South Vietnam's independence.

3. President Diem is staunchly anti-Communist and top leaders share his determination to resist a Communist takeover. While individual Vietnamese are strongly pro-American or even pro-French, the government is nationalistic and feels little kinship with democratic practices. A vocal intellectual group has scored Diem's autocratic and highly centralized rule, and even government officials have voiced concern that interference in military command and inadequate administration have contributed to growing Viet Cong

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success. Suppression of political opposition and curbs on civil liberties have led to widespread apathy, and have forced the more active opposition elements into irresponsible and conspiratorial activity. Coup or assassination attempts have occurred in the past and pose a constant danger. The Diem government's widespread counterinsurgency effort, both military and socio-economic, is being assisted by US financial and logistic support and US military personnel. US prestige is heavily committed to South Vietnam's effort.

4. Although South Vietnamese army operations have stepped up pressure on the Viet Cong and destroyed many Communist installations and food stocks, Communist military capability does not appear so far to have been seriously weakened. Recent Viet Cong attacks show increased military professionalism, and there is evidence that the Communists are continuing to build up regular units. The largest units now identified are battalions, but regimental formations may eventually appear. There is evidence suggesting that North Vietnam has decided to increase its support of such a build-up in response to larger US aid to South Vietnam. The most suitable area for a build-up is in the northern part of the country where remote trails provide access directly from the North and from across Laos, and where the mountainous terrain is less advantageous for use of the government's superior equipment. The Viet Cong probably will continue smaller-scale erosive attacks in coastal provinces and the Mekong delta, attempting to capture rice supplies and weapons, as well as to sever road and rail communications and to interdict government aircraft, possibly employing ground sabotage and antiaircraft weapons. The Viet Cong at any time may intensify its efforts to destroy the government's "strategic hamlets" and other rural projects which seek to isolate the peasantry from the Communists, and may increase terrorism in the cities both for psychological and economic effect.

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5. A constant possibility in South Vietnam is the assassination or overthrow of President Diem by non-Communist opponents or by such groups in cooperation with the Viet Cong. Diem's death probably would lead to some form of military rule, possibly through a civilian facade. To be successful, a coup probably requires military backing. There is, however, no apparent popular or strong alternative leader to Diem on the horizon; Diem's removal might result in an early internal struggle for power or a rapid deterioration of governmental stability. Such a situation would present the Communists ready-made opportunities for military or political exploitation.

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SUBJECT: Insurgency in Thailand

1. There is at present no insurgency as such in Thailand. There are, however, two principal areas of discontent where active insurgency could develop. These areas are the northeastern provinces of Thailand bordering on the Mekong River and Laos, and the southern provinces along the Malayan border. In the northeast, where the residents consider themselves Thai but are closely related to the Lao, the cause for discontent is the poverty and undeveloped economy. In the South, it is ethnic and religious differences: the people are Malay Moslems who resist governmental efforts to assimilate them linguistically and religiously.

2. In both areas there is a built-in alien Communist minority--in the northeast the Vietnamese refugee communities, estimated at about 45,000 and currently in the slow process of repatriation to North Vietnam, and in the South, a handful of Malayan Communist Party insurgents who use the Thai-Malay border area as a refuge from Malayan security forces. Ethnic minorities of the hill country of northern Thailand could become dissaffected through Thai efforts to modernize their forms of living. By themselves, however, they are too few and too weak to cause much concern at this time.

3. Bangkok has long recognized its difficulties in the south and has handled the problem by permitting a great deal of autonomy to the Moslem minority. Furthermore, the Malayan government has persistently discouraged anti-Bangkok action on its side of the border.

4. In contrast, Bangkok took steps to alleviate the long-standing discontent of the northeastern Thais only recently when the spread of Communist influence in Laos became significant. Bangkok's neglect, combined with inter-marriage and easier communications with the Mekong peoples, has created close identification with Laos and isolation from

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the capital. As a result, the local peoples are relatively easy targets for Laotian-based Communist propaganda and subversion. The government's present program of dealing with the discontent in the northeast consists of a three-pronged approach: increased supervision of the Laotian border, increased police surveillance of known and suspected Communists, and a newly launched (and United States supported) program of economic development for the area. For the short range and depending on developments in Laos, the Thai government should be able to contain its discontented elements and, perhaps, decrease their complaints.

5. The present Thai government is basically stable and faces no organized internal opposition. So long as Marshal Sarit's health remains adequate, there is little likelihood of a significant domestic change. The Thai government has been a close partner to the United States since SEATO was founded in 1954. The United States has staked much money and prestige on military and economic development, and Thailand has been quite amenable to United States influence. Recently, however, and especially since the extension of Communist influence in Laos, Thailand has become increasingly irritated by US policy and it is probable that, while both countries will continue their efforts to contain Communist expansion, relations between them will become increasingly difficult.

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SUBJECT: Insurgency in Cameroon

1. Cameroon's moderate regime is plagued with an armed rebellion which has been in progress in the southwestern region of the country since 1956. It began as an effort by the Cameroon People's Union (UPC), then the largest nationalist party in the French trust territory of Cameroun, to win independence and reunification with the adjoining British-administered segment of the old German colony of Kamerun. When French Cameroun achieved independence under the moderate French-supported Cameroon union party (UC) in January 1960, many UPC adherents abandoned terrorism and returned to legal political activity. The rebellion's political appeal declined further last fall with the reunification of former French Cameroun and British Southern Cameroons. However, a small faction of UPC irreconcilables, who regard President Ahmadou Ahidjo as a puppet controlled by Western "imperialists", has continued in active insurrection, exploiting widespread unrest among youthful elements of the important Bamileke tribe.

2. The bases of this tribal unrest--and thus of the rebellion today--are largely economic and social rather than political. They are overpopulation, a rigid social structure in which the chiefs remain powerful, and, especially, a traditional land tenure system which fails to provide profitable employment for thousands of young Bamileke reaching maturity each year. Unable to find work in their own tribal area and unwanted in others, many of these young men drift into the largely autonomous small terrorist bands which comprise the UPC's rebel "National Liberation Army."

3. Although insurgency has been on the wane in Cameroon for the past two years, Cameroonian authorities estimate that there are still about 2,100 active terrorists based in inaccessible areas of the dense rainforests and rugged mountains of the

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southwest. They are largely armed with home-made guns and crude ammunition, but have occasionally received limited amounts of more professional material, including some weapons of Czech origin, via a pipeline controlled by UPC leaders operating out of Cairo, Conakry, and Accra. A small number of the terrorists have been trained in guerrilla warfare techniques in Communist China. Supplying arms clandestinely to the rebels has always presented a major logistics problem to foreign sympathizers and has recently become even more difficult as a result of Cameroonian pressure on Nigeria to control its borders more effectively. Moreover, Nasir, Nkrumah, and Sekou Toure all have been curbing their overt support for the rebellion in recent months and at least the UAR appears to have reduced its covert assistance as well.

4. All of the rebellion's top external leaders and a few of those operating within Cameroon are strongly pro-Communist. This orientation results from the UPC's many years of close association with the French Communist apparatus, which provided important organizational and financial support.

5. At present Ahidjo and his party, the Cameroon Union (UC), appear to be firmly in the saddle at the federal level and in Eastern (former French) Cameroon. While the regime is still based essentially on the support of the traditional Moslem rulers of the northern region, Ahidjo has won over many individual tribal leaders of the more politically volatile Christian-pagan south. The legal opposition is badly fragmented and its political vehicles appear to be crumbling under increasing regime pressure. However, the government still lacks real broad-based popular support and little has been done to transform the UC into the spearhead of a genuine mass movement. Heavy dependence on France for economic and technical assistance continues to alienate many students and other politically dynamic elements. The government has yet to develop a meaningful program attacking the basic causes of the terrorist problem.

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6. Cameroonian security forces, totaling about 7,800 men, evidently are completely loyal to the present government. They are, however, heavily dependent upon a large French military mission which provides officers and non-coms for key positions in the Cameroonian forces in addition to training and technical assistance. There are also two French infantry battalions based in the country. The French commander of the Cameroonian Army believes his troops would be very hard pressed should the terrorists acquire any significant quantity of arms.

7. The Ahidjo regime's present close ties with France narrow the potential for exerting US influence. Moreover, the government was disappointed in the US response to its initial bids in 1960 and 1961 for economic, military, and diplomatic support. Nevertheless, relations now are generally cordial and Ahidjo would still like to offset the French presence with an increased US aid commitment. US national interests revolve around the desirability of promoting stability in the area under an essentially Western-oriented regime.

8. Assuming that the terrorists do not acquire substantial new arms supplies, it seems unlikely that they will be able to step up their operations over the next few months. On the other hand, terrorism has probably reached an irreducible level until the government deals effectively with its basic causes.

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SUBJECT: Insurgency in Iran

1. The main threat to stability in Iran lies in the antiquated and reactionary nature of its social, political and economic structure and the inability of successive governments to achieve significant reforms. The bureaucracy is top-heavy and corrupt; the entrenched ruling class is devoted primarily to pursuing its own interests; the military officer corps is inefficient and faction-ridden; and the nationalist opposition works persistently to embarrass the government. All of this contributes to the progressive deterioration of the monarchy as a unifying force in the country and increases the long-range chances of a violent upheaval.

2. However, active insurgency is unlikely in Iran in the near future. The nationalist opposition is small, poorly organized, and largely ineffective. The masses of peasants are lethargic and without an effective voice. Articulate expression of dissatisfaction comes only from a relatively small group of educated, politically aware Iranians; University of Tehran students spearhead most violent expressions of dissatisfaction. Urban workers, primarily in Tehran and to a degree in Isfahan and Abadan, can, under certain circumstances, be moved to violence, and are natural targets for anyone wishing to whip up expressions of mass support. Demonstrators and organizers can also be bought if a genuine issue is lacking. Tribal groups, which historically have sparked uprisings, have declined in influence and power, as the Tehran government has extended its control into the remoter areas, but the tribes, especially the Kurds, could still be a source of trouble if they received large-scale outside support or if tribal uprisings coincided with disturbances in the cities.

3. Although Iran has many ex-Communists and Communist sympathizers, some of them in government offices, Communist forces do not now appear capable of action against the government. The leadership and the best-organized elements of the party are outside Iran, mainly in Europe. During a period of chaos, however, Communist capabilities would probably increase rapidly.

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4. The present government of Asadollah Alam is only a few days old. It appears, however, that it will be no better, and perhaps somewhat worse, than the governments which held power from 1953 until last year, when Amini took over. In all these the Shah pulled the strings and the prime minister acted as his mouthpiece. Little progress was made in meeting the rising expectations and demands for economic improvement, social reform and more representative government. Although Alam's government has announced that it intends to carry on the program of land reform, anti-corruption measures and other activities set afoot by Amini, it seems unlikely that it will do so effectively unless the Shah demonstrates a greater willingness to oppose the entrenched interests than has so far been the case.

5. Government forces, police, gendarmerie, military and civilian security, have the capability of controlling any foreseeable disturbances short of a country-wide armed uprising. If ordered to fire on rioting civilian crowds, the army's reliability might be questionable. Indeed, any excessive violence against demonstrators could snowball into widespread disturbances in the Tehran area, but organized or prolonged fighting would be unlikely.

6. The Iranian government is Western oriented and linked with the United States through CENTO and a bilateral defense pact. It depends on American military and economic aid and accepts and sometimes seeks American advice and guidance. The Iranian government has supported American policy on most international issues and has

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SUBJECT: Insurgency Threat in Colombia

1. Armed bands have terrorized rural areas of central and western Colombia since 1948 and continue to cause more than 200 deaths each month. An estimated 75 groups of varying size are active, some of them remnants of former guerrilla bands that participated in Liberal-Conservative hostilities from 1948 to 1953, but most of them are simply bandits without political affiliation.

2. The existence of most of these groups is due largely to the absence of adequate police forces in the remote areas where the bandits operate. The bands form the private "armies" of local bosses who exert political control over the small communities from which they derive their support. Although there has been some evidence of Communist attempts to coordinate the bandits into a unified revolutionary movement, most of the bands operate independently. Communist influence has been confined to several small enclaves which the Communists have controlled for more than 20 years. Even in these redoubts Communist influence is declining.

3. In early 1962, a group of leftist extremists formed an organization known as the United Front for Revolutionary Action (FUAR). It is engaged in a campaign to form a guerrilla movement aimed at the overthrow of the government. Leaders of the organization have had contact with the Castro regime and have probably received financial aid from Cuba on a regular basis. The FUAR has succeeded in drawing members from the extremist wing of the Colombian Communist Party (PCC) who are dissatisfied with the PCC's reluctance to engage in armed revolution. An increasing number of Communist university students is joining FUAR.

4. Colombia is enjoying a period of political stability. The National Front coalition, under which the presidency is

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to alternate between the Conservative and Liberal parties every four years with all appointive and elective offices divided on a parity basis, was strengthened in the recent congressional and presidential elections.

5. Colombia has enthusiastically endorsed the Alliance for Progress, and has made considerable progress in restoring representative government since the overthrow of dictator Rojas Pinilla in 1957. Prospects for stability will depend to a large extent on the incoming administration's success in executing the "General Plan for Economic and Social Development." The plan is considered a sound and potentially effective socio-political reform. Declining world coffee prices threaten to disrupt Colombia's coffee-based economy, but steps are being taken to diversify exports.

6. The only security force in many rural areas is the local army garrison, but it generally is inadequate and lacks the proper training to combat armed bands. Moreover, the army does not consider the suppression of banditry to be its mission.

7. Unless and until the army decides to eliminate rural violence, the bandit groups will continue to dominate much of rural Colombia. Although no large-scale insurgency is likely to develop in the immediate future, the Communists and FUAR are expected to step up subversive activities. Leftist agitation, particularly among student groups, will probably increase.

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SUBJECT: Insurgency Threat in Ecuador

1. President Arosemena's administration continues to be threatened by both the left and right. There is general dissatisfaction among conservative groups with the government's inability to quell the growing unrest resulting from leftist agitation. Military leaders are concerned that government policies and reform programs may result in political gains by the left.

2. The Communist Party of Ecuador (PCE) has succeeded in forming the nucleus of a guerrilla organization. Members of the guerrilla group were drawn largely from the pro-Castro Revolutionary Union of Ecuadorean Youth, which was involved in a two-day battle with government forces last April. The Communists have stepped up guerrilla warfare training, including special courses in the use of explosives. PCE members are reportedly stockpiling arms in rural areas in preparation for a general insurrection. There is some evidence of Cuban arms assistance, and several PCE members have received training in Cuba.

3. While the threat of a military coup has abated somewhat, the political situation in Ecuador remains unstable. President Arosemena is attempting to effect a reform program, but he faces resistance from rightists in Congress who may be able to muster independent support and to block his proposals. Those whom the reforms would benefit are dissatisfied with the lack of progress. Widespread strikes and Communist-inspired demonstrations have added to the tension.

4. The administration supports the Alliance for Progress, but any indications of external attempts to influence Ecuador's policies are likely to arouse the country's extreme sensitivity to apparent encroachments on its sovereignty. Arosemena is struggling to follow an independent line in international politics.

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5. Government security forces successfully suppressed the only recent leftist outbreak and arrested those involved. However, the National Civil Police (NCP), responsible for internal security matters, lack the capability to deal effectively with widespread insurgency. Cooperation between the NCP and the military is virtually nonexistent.

6. There is no immediate threat to Ecuador's internal security. However, the Arosemena administration will face continued leftist efforts to discredit the government through agitation and possibly violent demonstrations. Rightists may attempt to impeach Arosemena. There is also the possibility that the military will become convinced that a takeover by the armed forces is necessary to restore order.

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SUBJECT: Insurgency Threat in Guatemala

1. The Communists' Guatemalan Labor Party (PGT) has favored a policy of "active insurrection" for about a year, but PGT leaders have recognized that the party is too weak to take decisive action by itself and that it must therefore secure the collaboration of other revolutionary groups.

2. The PGT has a hardcore membership of about 1,100 (in a total population of nearly 4,000,000) and is able to control perhaps another 1,000 among the members of the Communist-front United Revolutionary party (PUR), Communist-dominated labor unions, and various student organizations. It also has connections with the "13 November" group, a small group of ex-army personnel which has engaged in sporadic guerrilla activity since early this year. It has succeeded only partially in influencing and directing this group.

3. The "13 November" group, led by Major Marco Antonio Yon Sosa, engaged in guerrilla activity in Guatemala's northeast region during February. In March and April, Cuba sent the group at least \$10,000 through contacts in Mexico. Presently inactive, it probably had no more than 50 members at the height of its guerrilla activity.

4. When the Communists attempted to launch their own guerrilla movement, under the leadership of pro-Communist former Guatemalan army colonel Carlos Paz Tejada, the attempt was a fiasco. The 15- to 18-man band was routed quickly by the Guatemalan army.

5. Though opposition groups presently lack unity and strength, their importance is potentially great because of the widespread, though still unchanneled, public dissatisfaction with the regime. The government lacks any well-defined political orientation, and its position is weakened by the corruption and maladministration that has discredited it publicly and led the more able Guatemalan

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civilians to shun any association with it. It appears incapable of a significant attempt to fulfill the aspirations for social and economic progress which animate many Guatemalans. Economic stagnation since 1957, resulting largely from the lower world prices for coffee, the chief Guatemalan export, turned into recession in 1961, when per capita real income declined an estimated 3.5 percent.

6. The armed forces are the ultimate locus of political power in Guatemala. While they are presently supporting the regime, they are responsive to public opinion and would probably remove Ydígoras if public pressure against him assumes major proportions.

7. The 7,000-man army showed up poorly in action against the "13 November" group last February. It is widely deployed throughout the country and lacks an effective intelligence capability. Police forces consist of about 3,000 non-administrative officers and men in the National Police and about 800 in the border patrol force. While these forces are not badly trained and are improving, they are deficient in riot control methods and, outside the capital, are thinly distributed.

8. Events in Guatemala are important to US interests since developments there have often in the past had significant ramifications in neighboring countries. Also, the US is widely held responsible for the revolution of 1954 which ousted the pro-Communist regime of President Arbenz. Arbenz now resides in Cuba, and the Castro regime evidently considers the Guatemalan government one of its primary targets for subversion in Latin America.

9. Any new incident, such as the death of a student at the hands of the police, could quickly arouse the public against the regime to such an extent that the armed forces would feel obliged to seize control. A military coup would be explained as necessary to restore order and "prevent a Communist takeover."

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SUBJECT: Insurgency Threat in Venezuela

1. The guerrilla movement in Venezuela has a substantial potential in terms of organization, equipment and finance. Numerous encounters between guerrilla and Venezuelan security forces have occurred in recent months, resulting in several deaths on both sides and the capture of more than 100 insurgents. However, peasant support is essential to the success of any insurrectionary movement, and at present President Betancourt enjoys the support of the peasants.

2. It has been clearly established that the Venezuelan Communist Party (PCV) with the aid of its ally, the Movement of the Revolutionary Left (MIR), is directing the guerrilla movement. Aware that President Betancourt's downfall would remove one of Castroism's leading enemies and encourage future revolutionary activities in the Hemisphere, the Communists are determined to overthrow the Venezuelan government.

3. The Communists appear to be concentrating on the procurement of arms and the formation of a well-trained cadre before undertaking any major effort to gain mass support for widespread armed action. While conditions in rural areas are not suitable for insurgent activities the economically depressed urban areas are susceptible to Communist exploitation. Aside from the PCV paramilitary group of some 200 men, the Communists rely largely on students for recruits, primarily from the Central University in Caracas.

4. The guerrilla effort is believed to be part of the Communist strategy to create unrest throughout Venezuela by the use of terror, sabotage, and armed action. The ultimate objective is to seize power either directly or by provoking a military coup and subsequently exploiting mass resentment to oust the military.

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5. Venezuela's political situation has remained unstable since the abortive revolts by leftist marine units in May and June. The military continues to press Betancourt for firm measures to halt the growing terrorism, much of which is aimed at military personnel. Betancourt is extremely concerned that recent action taken by the armed forces in Peru and Argentina will encourage Venezuelan military leaders to demand a greater political role.

6. The government is hampered by an opposition-controlled Chamber of Deputies which refuses to approve severe restrictions against the Communists and other extremists. Dissension within the government coalition over the means to be used in combating violence further aggravates the situation.

7. Government security forces appear capable of preventing the present insurgency from becoming a serious threat to the survival of the government. The National Guard is particularly effective in suppressing violence in rural areas. While a small number of leftist and rightist extremists in the armed forces continue to plot Betancourt's overthrow, the majority of the officers are believed to be loyal.

8. Much depends on the continued support of the rural population. Relations between the peasants and the military are good, and the peasants will probably continue to cooperate against the guerrillas as long as Betancourt remains in office. The government continues to effect its moderately successful land reform program.

9. The present Venezuelan government is strongly anti-Communist and is prepared to cooperate with the US to forestall the spread of Castroism in the Hemisphere. However, Betancourt is sensitive to criticism that he is overly influenced by US policy, and he will be careful to avoid any position that indicates compromise with Venezuela's independence.

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10. Venezuela's value to US policy derives primarily from its position as probably the most staunchly anti-Communist country in Latin America, and from its bitterly anti-Castro attitude. The country's position as the world's leading exporter of crude oil is also significant.

11. The political situation in Venezuela will probably become more unstable as the country approaches a presidential election in 1963. Communist efforts to exploit the situation by fomenting popular unrest and provoking disturbances are likely to increase. Incidents of sabotage, terrorism, and armed violence will become more frequent as the Communists and other leftist extremists increase their paramilitary capability. However, sustained guerrilla warfare on a national scale is not likely to break out in the immediate future.

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REMARKS: We don't need this any longer -- either return or destroy, making sure it is properly agged recorded.		
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